# Off

## Litigation

### Patents

#### Litigation is controlled now---the aff kills it

Emily S. Taylor Poppe 21, Assistant Professor of Law at the University of California, Irvine School of Law, “Institutional Design for Access to Justice”, UC Irvine Law Review, 11 U.C. Irvine L. Rev. 781, February 2021, Lexis

This law-centric orientation is strikingly different from that of most Americans, despite popular claims about their litigiousness. Most individuals never even identify the civil legal problems they experience as "legal." Only a tiny minority will ever seek legal advice in response to a problem, and most are more likely to do nothing than to file a lawsuit. Decades of empirical scholarship have confirmed that despite the prevalence of civil legal problems in everyday life, there is remarkably little recourse to formal law. [FOOTNOTE BEGINS] DAVID M. ENGEL, THE MYTH OF THE LITIGIOUS SOCIETY: WHY WE DON'T SUE 3 (2016) (noting that "specious claims of a litigation explosion have been made so often that they have rooted themselves in the national psyche"). [FOOTNOTE ENDS]

#### Antitrust litigation is uniquely complex and resource-intensive---a spike trades-off with judicial functioning in other areas

Daniel R. Warren 15, JD from the Boston University School of Law, BS from Ohio State University, “Stress Fractures: The Need to Stop and Repair the Growing Divide in Circuit Court Application of Summary Judgment in Antitrust Litigation”, Review of Banking and Financial Law, 35 Rev. Banking & Fin. L. 380, Lexis

A. Summary Judgment Can Cut Short Extreme Costs Antitrust litigation can involve enormous discovery costs, particularly when antitrust litigation overlaps with class action litigation. Due to the wide scope of many antitrust claims, discovery can implicate a broad range of documents, records, interrogatories, and depositions. In fact, "[s]trategically minded" plaintiffs can take advantage of antitrust law's "onerous discovery costs" by requiring the defendant "to respond to wide-ranging interrogatories, produce documents, and prepare for and defend depositions" with only a "facially plausible allegation" of an antitrust violation. These costs can take a very large toll on both large and small businesses. The legal hours necessary to answer and address discovery challenges can also impose extreme costs. Plaintiffs can often use discovery costs as a weapon against defendants in antitrust litigation. The Seventh Circuit Court of Appeals stated that "antitrust trials often encompass a great deal of expensive and time consuming discovery and trial work" in explaining that the "very nature" of antitrust litigation should encourage summary judgment. The court's language here supports [\*389] the idea that in antitrust litigation, summary judgment has a special value, greater even than its normal use in other areas of the law. Summary judgment can be used to cut short lengthy litigation where parties have already accrued extreme costs from discovery and one party still cannot produce a genuine issue of material fact. In antitrust litigation, the value of summary judgment to mitigate discovery costs through shortening litigation is elevated to a special importance even greater than normal for three reasons. First, antitrust litigation normally involves large organizations, which magnifies the costs of those firms going through the discovery process. Large firms have a great number of involved employees and departments, all of which would likely be subject to the broad discovery that is characteristic of antitrust litigation. Summary judgment, though normally considered after discovery, is a procedural weapon available at nearly any point in this process, as "a party may file a motion for summary judgment at any time until 30 days after the close of all discovery." The existence of a stay for extension of discovery shows that summary judgment need not automatically wait for discovery's completion, and thus can be an invaluable safeguard against otherwise incredibly costly discovery. This safeguard allows summary judgment to be a powerful tool to radically lower discovery time and costs without "railroad[ing]" the other party. Second, antitrust litigation is normally a slow process that takes a great deal of time. The amount of time necessary to process and review evidence produced by discovery leads to incredible legal costs, often disproportionately placed on the defendant firm. The plaintiff has the advantage over the defendant in deciding the scope of discovery costs, and may often tailor its claim in such a way as to avoid the discovery costs that a defendant's counterclaim may reflect [\*390] back on the plaintiff. These lengthy trials can be effectively truncated by summary judgment, and thus summary judgment's normal value is even greater in the world of antitrust litigation where protracted trials are the norm. Finally, the vast amount of evidence necessary to prove the elements of an antitrust claim contribute to the large discovery costs tied to antitrust litigation by overwhelming judges' ability to reign in discovery costs. Currently, we rely on judges to limit the range of discovery requested, but in the context of antitrust litigation, judges have difficulty dealing with the broad variety of evidence that may be called for. One analysis of the power of discovery described it as a costly and potentially abusive force, and determined judges' abilities to limit discovery costs on their own as "hollow" at best: A magistrate supervising discovery does not--cannot--know the expected productivity of a given request, because the nature of the requester's claim and the contents of the files (or head) of the adverse party are unknown. Judicial officers cannot measure the costs and benefits to the requester and so cannot isolate impositional requests. Requesters have no reason to disclose their own estimates because they gain from imposing costs on rivals (and may lose from an improvement in accuracy). The portions of the Rules of Civil Procedure calling on judges to trim back excessive demands, therefore, have been, and are doomed to be, hollow. We cannot prevent what we cannot detect; we cannot detect what we cannot define; we cannot define "abusive" discovery except in theory, because in practice we lack essential information. Even in retrospect it is hard to label requests as abusive. How can a judge distinguish a dry hole (common in litigation as well as in the oil business) from a request that was not justified at the time? [\*391] Summary judgment can also reduce costs to both parties by reducing time and discovery costs to the parties, and to the judicial system itself, by cutting short lengthy litigation. Both sides often incur costs from employing experts in various areas, researching and producing evidence necessary to prove or disprove elements of antitrust actions, and in the great many legal hours necessary for both plaintiffs and defendants--not to mention costs to the state--during lengthy litigation that is often fruitless due to an "incentive to file potentially equivocal claims." Antitrust law is structured in such a way as to have a "special temptation" for what would otherwise be frivolous litigation. As antitrust law is, by its very nature, between competitors, there is significant motivation to force costs on to other firms, perhaps even through frivolous legal claims or intentionally imposing other large legal costs. Costs can also multiply in antitrust litigation because antitrust actions are often combined with other particularly complex areas of law, such as patent law or class actions. Class actions particularly in the antitrust context can make trials "unmanageable." Combining two already complex areas of law is a recipe for large legal costs and prolonged litigation. The value of cutting costs short cannot be overstated, as antitrust litigation takes place in the arena of business competition. This means that firms are already engaged in close competition for antitrust cases to be relevant, and thus unnecessary costs can further distort the market.

#### Efficient court review underpins patent-led innovation---that stops nuclear war and a range of existential threats

Robert J. Rando 16, Founder and Lead Counsel of The Rando Law Firm P.C., Fellow of the Academy of Court-Appointed Masters, Treasurer for the New York Intellectual Property Law Association, Chair of the Federal Bar Association Intellectual Property Law Section, “America’s Need For Strong, Stable and Sound Intellectual Property Protection and Policies: Why It Really Matters”, IP Insight, June 2016, p. 12-14 [language modified] [abbreviations in brackets]

Robert F. Kennedy’s speech, which includes his reference to the oft-quoted “interesting times” curse, applies throughout history in many contexts and, indeed, with both negative and positive connotation. While he focused on the struggles for freedom and social justice, the requisite ascendancy of the individual over the state, and the institution and integration of those ideals for the greater good, he also promoted the goals of greater global unity, cooperation and communication, which were, and could be, achieved by advances in technology. And, as noted in the excerpt, he championed “the creative energy of men.” Intellectual Property in “Interesting Times” It is beyond question that starting with the last decade of the twentieth century and throughout the first two decades of the twenty-first century, when it comes to matters relating to intellectual property, we have been living in “interesting times.” Some may interpret these interesting times as defined by the curse and others may view it by the ordinary meaning of “interesting.” In either case, those of us that toil in the fields of patents, copyrights, trademarks, trade secrets, and privacy rights have experienced an unprecedented sea change in the way those rights are procured, protected and enforced. Likewise, and perhaps more importantly, even those of us that do not practice in these areas of law, as well as the general public, have been, and continue to be, impacted by the consequences of these changes (both positive and negative). The Changes In Intellectual Property Law Examples of some of the changes in intellectual property law are: the sweeping 2011 legislative changes to the patent laws under the America Invents Act (AIA), which impact is only beginning to be fully appreciated; the various proposals for patent law reform, on the heels of the AIA, beginning with the 113th and 114th Congress; the copyright laws Digital Millennium Copyright Act (DMCA) and numerous 114th Congressional proposed copyright law changes; the recently enacted federal trade secret law (Defend Trade Secrets Act of 2016 (DTSA))2; the impact of the internet, domain names and globalization on Trademark law; the intellectual property law harmonization requirements included in various global/regional trade agreements; and the proliferation of devices (both invasive and non-invasive) that defy any rational basis for believing we can still adhere to the republic’s libertarian understanding of the right to privacy. Without engaging in “chicken and egg” analysis, it is sufficient to observe that technological advancement, societal needs, globalization, existential threats, economic realities, and political imperatives (or what James Madison referred to in the Federalist Papers No. 10 as factious governance), have combined to create the “interesting times” for the United States [IP] intellectual property laws. What was said by Bobby Kennedy in 1966 remains true today. We live in dangerous and uncertain times. Many of the existential threats remain the same (nuclear war and proliferation, [genocides] ~~genocidal maniacs~~ and natural disease) and some are new ([hu]manmade disease, greater awareness of environmental changes and possibly human interrelationship factors, and the unintended consequences of genetic manipulation and robotic technologies). The danger and uncertainty that pervades changes in intellectual property laws, though not an existential threat of the same manner and kind, correlates with the threat and remains “more open to the creative energy of man than any other time in history.” Apropos the creative energy of man, there is a non-coincidental congruence and convergence of activity across and among the three branches of government, occurring almost simultaneously with the congruence and convergence of the rapid developments of technological innovation across various scientific disciplines and the information age, reflected in the transformation of the [IP] intellectual property laws in the United States. Patents The passage of the AIA was a culmination of efforts spanning several years of Congressional efforts; and the product of a push by the companies at the forefront of the twenty-first century new technology business titans. The legislation brought about monumental changes in the patent law in the way that patents are procured (first inventor to file instead of first to invent) and how they are enforced (quasi-judicial challenges to patent validity through inter-party reviews at the Patent Trial and Appeals Board (PTAB)). The 113th and 114th Congress grappled with newly proposed patent law reforms that, if enacted, may present additional tectonic shifts in the patent law. Major provisions of the proposals include: fee-shifting measures (requiring loser pays legal fees - counter to the American rule); strict detailed pleadings requirements, promulgated without the traditional Rules Enabling Act procedure, that exceed those of the Twombly/Iqbal standard applied to all other civil matters in federal courts, and the different standards applicable to patent claim interpretation in PTAB proceedings and district court litigation concerning patent validity. The Executive and administrative branch has also been active in the patent law arena. President Obama was a strong supporter of the AIA3 and in his 2014 State Of The Union Address, essentially stated that, with respect to the proposed patent law reforms aimed at patent troll issues, we must innovate rather than litigate.4 Additionally, the USPTO has embarked upon an energetic overhaul of its operations in terms of patent quality and PTO performance in granting patents, and the PTAB has expanded to almost 250 Administrative Law Judges in concert with the AIA post-grant proceedings’ strict timetable requirements. The Supreme Court, not to be outdone by the Articles I and II branches of the U.S. government, has raised the profile of patent cases to historical heights. From 1996 to the 2014-15 term there has been a steady increase in the number of patent cases decided by the SCOTUS5. The 2014-15 term occupied almost ten percent of the Court’s docket. Prior to the last two decades, the Supreme Court would rarely include more than one or two patent cases in a docket that was much larger than those we have become accustomed to from the Roberts’ Court6. While the SCOTUS activity in patent cases is viewed by some as a counter-balance to the perceived Federal Circuit’s pro-patent and bright line decisions, it can just as assuredly be viewed as decisions rendered by a Court of final resort which does not function in a vacuum devoid of the social, economic and political winds of the times. In recognition of the effect new technologies have on the patent law, the politicization of intellectual property law matters, especially patent law (through factious governing principles of the political branches of the government), and the maturation of the Federal Circuit patent law jurisprudence, the SCOTUS has rendered opinions in cases that impact, and perhaps are/were intended to mitigate the concerns regarding, some of the vexing issues confronting the patent community today (e.g., non-practicing entities or in the politicized parlance “patent trolls,” the intersection of patent and antitrust laws in Hatch-Waxman so called “pay-for-delay” settlements between Branded and Generic pharma companies, and the fundamental tenets that comprise the very heart of what is patent eligible subject matter). Copyrights The advent and ubiquity of the internet, social media and digital technologies (MP3s, Napster, Facebook, YouTube, and Twitter) represents the impetus for changes in the Copyright laws. The DMCA addressed the issues presented by these advances or changes in the differing media and forms of artistic impressions. The proliferation of digital photos, graphic designs and publishing alternatives, as well as adherence to globalization harmonization have given rise to changes in the statutory law and jurisprudence in this area of intellectual property law. Additionally, there is an overlap of patent rights and copyrights for software driven by the ebb and flow of the strength of each respective intellectual property protection. Notably, the Patent and Copyright Clause7, in addition to Author’s writings, has been viewed as discretely applying to two different types of creativity or innovation. When drafted the “sciences” referred not only to fields of modern scienctific inquiry but rather to all knowledge. And the “useful arts” does not refer to artistic endeavors, but rather to the work of artisans or people skilled in a manufacturing craft. Rather than result in ambiguity or confusion, perhaps the Framers were either quite prescient or, just coincidentally, these aspects of the Patent and Copyright Clause have converged. For example, none other than the famous Crooner, Bing Crosby, benefited from both protections. Well-known as a prolific and popular recording artist he also benefited from his investments in the, then innovative, recording technologies. Similarly, the Beatles, Beach Boys, as well as many other rock and roll artists, experimental efforts in music performance, recording and production, helped to transform the music industry in both copyrightable artistic expression and patentable inventions. Similarly, film, literary and digital arts reap benefits at the crossroads of both copyright and patent protections. Trademarks Trademark laws have been impacted by numerous changes in the business landscape. They include the internet, Domain names, international rights in a global economy, different venues and avenues for branding, marketing and merchandising, global knock-offs from nations that have a less than stellar respect for intellectual property rights, and international trade agreements. More recently, politicization (or perhaps political correctness) has creeped into the trademark law arena pitting branding rights and protections against first amendment rights. Trade Secrets As with Copyright and Trademark law, trade secrets law includes some of the same issues related to trade agreements. TRIPS required members to have trade secret protection in place. Initially, the United States compliance with this requirement has relied upon the trade secret law of the individual states. That compliance may be supplanted by the recently enacted DTSA. Similarly, the Trans Pacific Partnership (TPP) trade agreement contains intellectual property rights provisions that will trigger required changes to United States statutory Intellectual Property Laws. The proposed trade secret legislation also gives rise to several concerns. For instance, there is an absence of a specific definition for trade secret, as well as potential issues of federalism, conflict with state law precedent (despite no preemption), remedies, and the impact on employer/employee relations. There is also a real concern that the strengthening of trade secret protection in conjunction with the perceived weakening of patent protection (e.g., high rate of invalidating patents in post-grant proceedings before the PTAB and strict limitations on what is patent eligible subject matter) may very-well have the unintended consequence of contravening the purpose behind the Patent and Copyright Clause: “to promote the progress of the sciences and the useful arts.” Moreover, the incentive to innovate may very well be usurped by the advantage of withholding patent law disclosure of highly beneficial scientific advancements that directly affect the human condition, alter life expectancies and the evolution of the human species (rather than by mere “natural selection”), and what is the very essence of a human being (for better or worse). Thus, crippling innovation and the progress of the sciences and useful arts. Privacy Rights It is increasingly more difficult to function “off the grid.” The invasive and non-invasive attributes of the internet, the reliance upon the multitude of devices, social media, and information age technologies, and access to big data, all contribute to the decrease in and dilution of the right to privacy. Wittingly or otherwise, the strong libertarian roots of the republic have been replaced by dependence upon these modes of an information-age life. Commentary on the benefits and deficits of this reality are beyond the subject and purpose of this writing. Suffice to acknowledge that the right to privacy has been significantly reduced. The laws that protect these rights are in a constant struggle to maintain those rights while yielding to the demands of the lifestyle and security concerns. Laws that relate to cybersecurity in the global and domestic space create interplay with privacy rights. Legislation, trade agreements and jurisprudence all impact this area of intellectual property. Cross-border theft of trade secrets, competitor espionage, and loss of control over personal data are all implicated in the intellectual property law arena. America’s Need For Strong Intellectual Property Protection The need for strong protection of intellectual property rights is greater now than it was at the dawn of our republic. Our Forefathers and the Framers of the U.S. Constitution recognized the need to secure those rights in Article 1, Section 8, Clause 8. James Madison provides insight for its significance in the Federalist Papers No. 43 (the only reference to the clause). It is contained in the first Article section dedicated to the enumerated powers of Congress. The clause recognizes the need for: uniformity of the protection of IP rights, securing those rights for the individual rather than the state; and, incentivizing innovation and creative aspirations. Underlying this particular enumerated power of Congress is the same struggle that the Framers grappled with throughout the document for the new republic: how to promote a unified republic while protecting individual liberty. The fear of tyranny and protection of the “natural law” individual liberty is a driving theme for the Constitution and throughout the Federalist Papers. For example, in Federalist No. 10, James Madison articulated the important recognition of the “faction” impact on a democracy and a republic. In Federalist No. 51, Madison emphasized the importance of the separation of powers among the three branches of the republic. And in Federalist No. 78, Alexander Hamilton, provided his most significant essay, which described the judiciary as the weakest branch of government and sought the protection of its independence providing the underpinnings for judicial review as recognized thereafter in Marbury v. Madison. All of these related themes are relevant to the Patent and Copyright Clause and at the center of the intellectual property protections then and now. The Federalist Papers No. 10 recognition that a faction may influence the law has been playing itself out in the halls of congress in the period of time leading up to the AIA and in connection with the current patent law reform debate. The large tech companies of the past, new tech, new patent-based financial business model entities, and pharma factions have been the drivers, proponents and opponents of certain of these efforts. To be sure, some change is inevitable, and both beneficial and necessary in an environment of rapidly changing technology where the law needs to evolve or conform to new realities. However, changes not premised upon the founding principles of the Constitution and the Patent and Copyright Clause (i.e., uniformity, secured rights for the individual, incentivizing innovation and protecting individual liberty) run afoul of the intended purpose of the constitutional guarantee. Although the Sovereign does not benefit directly from the fruits of the innovator, enacting laws that empower the King, and enables the King to remain so, has the same effect as deprivation and diminishment of the individual’s rights and effectively confiscates them from him/her. Specifically, with respect to intellectual property rights, effecting change to the laws that do not adhere to these underlying principles, in favor of the faction that lobbies the most and the best in the quid pro quo of political gain to the governing body threatens to undermine the individual’s intellectual property rights and hinder the greatest economic driver and source of prosperity in the country. It is also important to recognize that the social, political and economic impact of strong protections for intellectual property cannot be overstated. In the social context, the incentive for disclosure and innovation is critical. Solutions for sustainability and climate change (whether natural, man-made or mutually/marginally intertwined) rely upon this premise. Likewise, as we are on the precipice of the ultimate convergence in technologies from the hi-tech digital world and life sciences space, capturing the ability to cure many diseases and fatal illnesses and providing the true promise of extended longevity in good health and well-being, that is meaningful, productive, and purposeful; this incentive must be preserved. In similar fashion, advancements in technologies related to the global economy and communications will enhance the possibilities for solutions to political and cultural conflicts that arise around the globe. Likewise, the United States economy has always benefited when it is at the forefront of innovation and achieves prosperity from its leadership role in technological advancements. Conclusion As was the case in 1966, how we move forward today, to solve the many problems facing our country and the broader global community in these “interesting times,” both within and without the laws affecting intellectual property rights, depends upon the “creative energy of man” which must prevail. An achievable goal, dependent on the strong, stable and sound protection of intellectual property rights.

## States

#### TEXT: The attorneys general of the 50 states and relevant territories, through the National Association of Attorneys General’s Multistate Antitrust Task Force, should mandate data portability and interoperability for social media platforms.

#### A multistate AG antitrust enforcement over state antitrust statutes solves the aff---causes federal follow-on

Artega 19 (Juan A. Arteaga is an experienced antitrust attorney and a former Deputy Assistant Attorney General for the U.S. Department of Justice’s Antitrust Division, The Role of US State Antitrust Enforcement, Global Competition Review, 11-19, <https://www.lexology.com/library/detail.aspx%3Fg%3Dd423301d-f4d1-4550-a99c-1880869e67e7+&cd=11&hl=en&ct=clnk&gl=us>, y2k)

In the United States, competition laws have been implemented and enforced through a dual system where the state and federal governments play distinct, yet complementary, roles in regulating the competitive process. While the Department of Justice (DOJ) Antitrust Division and Federal Trade Commission (FTC) are widely viewed as the stewards of US antitrust laws, state attorneys general have long played an important, albeit varying, role within the United States’ antitrust enforcement regime. This has been especially true during the past 30 years because state attorneys general have become much more effective at coordinating their antitrust enforcement efforts to ensure that they have a meaningful seat at the table in any actions brought jointly with their federal counterparts or are able to bring their own actions when the DOJ and FTC decide not to do so.

Prior to the enactment of the first federal antitrust law – the Sherman Act – in 1890, state antitrust enforcement was quite robust in the United States because at least 26 states had already enacted some form of antitrust prohibition. In addition, state enforcers had often used general corporation law and common law restraint of trade principles to regulate anticompetitive business practices and transactions. This well-established state antitrust enforcement infrastructure – coupled with the fact that the Antitrust Division and FTC had only recently been created – permitted state attorneys general to continue playing a leading enforcement role for the first 30 years after the Sherman Act’s passage. Indeed, state attorneys general successfully prosecuted a number of the most consequential antitrust enforcement actions during this period.

In the early 1920s, however, state antitrust enforcers began playing a less prominent role because ‘the national dimension of the most important trusts, . . . as well as their ability to restructure in order to evade problematic state laws’, made clear that the federal government needed to step forward in order to adequately protect consumers and the competitive process. As a result, the DOJ and FTC – whose national jurisdiction and greater resources enabled them to tackle the most pressing competition issues of the time – displaced state attorneys general as the primary source of government antitrust enforcement within the United States. This largely remained true until the mid-1970s when Congress, in response to the DOJ and FTC’s perceived inactivity, passed two laws that expanded the authority of state attorneys general to enforce the federal antitrust laws and provided them with financial resources to do so.

In 1976, Congress passed the Hart-Scott-Rodino Antitrust Improvement Act, which, among other things, authorised state attorneys general to bring *parens patriae* suits (i.e., legal actions brought on behalf of natural persons residing within their states) seeking monetary (treble damages) and injunctive relief for Sherman Act violations. Congress also passed the Crime Control Act of 1976, which, among other things, provided state attorneys general with tens of millions in federal grants as ‘seed money’ for the creation of antitrust bureaus within their offices. These laws had their intended effect of reinvigorating state antitrust enforcement.

During the 1980s, for example, state attorneys general once again emerged as vigorous antitrust enforcers, especially with respect to the prosecution of resale price maintenance practices and other vertical restraints. The rise in the level and prominence of state antitrust enforcement during this period was largely due to a perceived enforcement void at the federal level, where the DOJ and FTC had mostly limited their focus to ‘prohibiting cartels and large horizontal mergers’. No longer content with ceding antitrust enforcement to federal enforcers, state attorneys general expanded their antitrust dockets from prosecuting purely ‘local matters, such as bid-rigging on state contracts’, to actively investigating and litigating matters with multistate and national implications. To help ensure that they had a larger seat at the antitrust enforcement table, state attorneys general also increased the coordination of their enforcement efforts and competition advocacy through organisations such as the National Association of Attorneys General (NAAG), which created a Multistate Antitrust Task Force and issued state Vertical Restraints and Horizontal Merger Guidelines during this period.

Since the reawakening of state antitrust enforcement nearly 30 years ago, state attorneys general have continued to play an important role in the enforcement of both state and federal antitrust laws. During periods of lax federal antitrust enforcement, state attorneys general have often ramped up their enforcement activity in order to protect consumers from anticompetitive transactions and business practices. During periods of vigorous federal antitrust enforcement, they have often served as strong partners for the DOJ and FTC by, among other things, offering valuable insights about competitive dynamics in local markets, assisting with obtaining information from key market participants (including state governmental entities that are direct purchasers of goods and services), and helping develop and implement litigation strategies for cases being tried before federal judges presiding in their states.

Since January 2017, state attorneys general have increasingly played a leading and independent antitrust enforcement role. State antitrust enforcers have significantly increased their enforcement activity and willingness to act separately from their federal counterparts because many of them believe that there has been ‘under-enforcement’ by the DOJ and FTC. State antitrust enforcers have also been able to enhance their influence over key competition policy issues and the antitrust enforcement agenda within the United States because there appears to have been a significant decline in the coordination and relationship between the DOJ and FTC.

In once again flexing their enforcement muscle, state attorneys general have shown a willingness to publicly disagree with the DOJ and FTC on both policy and enforcement decisions, and have also sought to pressure their federal counterparts into more aggressively policing certain industries. Recent examples of the increased independence and assertiveness of state antitrust enforcers include:

In their joint investigation into the T-Mobile/Sprint merger, nearly 20 state attorneys general have sued to block the transaction even though the DOJ, along with seven state attorneys general, have approved the deal after securing certain structural and behavioural remedies. After the DOJ announced its proposed settlement with the companies, the Attorney General for New York, who has been leading the states’ challenge to the merger, issued a press release dismissing the adequacy of the remedies negotiated by the DOJ: ‘The promises made by [the divestiture buyer] and [the merging companies] in this deal are the kinds of promises only robust competition can guarantee. We have serious concerns that cobbling together this new fourth mobile [phone] player, with the government picking winners and losers, will not address the merger’s harm to consumers, workers, and innovation.’

The DOJ, FTC and several state attorneys general have been actively investigating and prosecuting ‘no-poach’ agreements (i.e., where competitors for employees agree not to recruit or hire each other’s employees)in recent years. However, the DOJ and state attorneys general have taken directly opposing positions in private litigation challenging the legality of ‘no-poach’ clauses in corporate franchise agreements. The DOJ has argued that courts should review these clauses under the rule of reason whereas various state attorneys general have argued that these clauses should be deemed per se unlawful.

None of the more than 20 state attorney general offices that actively investigated the AT&T/Time Warner merger joined the DOJ’s unsuccessful challenge to the transaction despite the DOJ’s concerted effort to secure their support. In fact, nine state attorneys general filed an amicus brief opposing the DOJ’s appeal of the trial court’s decision.

After the FTC declined to seek any Colorado-related remedies in connection with Optum’s acquisition of DaVita Medical Group, the Attorney General for Colorado required the merging companies to lift the exclusivity provisions in contracts with certain healthcare providers and to extend their existing contracts with certain health insurers. In announcing this settlement, the Colorado Attorney General stated: ‘I recognize that this case marks an important step in state antitrust enforcement . . . . I am committed to protecting all Coloradans from anticompetitive consolidation and practices, and will do so whether or not the federal government acts to protect Coloradans.’

After voicing displeasure with federal antitrust enforcement in the technology sector, numerous state attorneys general launched their independent investigations into ‘Big Tech’ companies even though the DOJ and FTC have ongoing investigations into these companies.

Given that companies will increasingly have to engage with state attorneys general in a meaningful manner with respect to antitrust matters, this chapter discusses key issues related to state antitrust enforcement in the United States. Specifically, this chapter discusses:

the federal and state antitrust laws under which state enforcers operate;

the processes through which state enforcers coordinate with each other and their federal counterparts;

the opportunity for coordination and conflict between state enforcers and private counsel during litigation;

strategic and practical considerations when engaging with state attorneys general; and

certain noteworthy enforcement actions that state enforcers have recently prosecuted.

Statutory regime governing US state antitrust enforcement

Civil enforcement of federal antitrust laws

Enforcement actions on behalf of state governmental entities

Under the federal antitrust laws, state attorneys general have the express authority to bring civil actions on behalf of their state, municipalities, and governmental entities for harm suffered when directly purchasing goods or services. In bringing such actions, state attorneys general can seek monetary (treble damages) and injunctive relief, as well as their costs and reasonable attorney’s fees.

In actions seeking monetary relief, state attorneys general typically allege that the state plaintiffs were forced to pay higher prices by an unlawful horizontal conspiracy, such as a price-fixing or bid-rigging scheme, and seek to recover the overcharges. In some cases, state attorneys general have sought to recover damages arising out of anticompetitive unilateral conduct, such as overcharges paid by state governmental entities due to a defendant’s actual or attempted monopolisation of a specific market.

In seeking injunctive relief, state attorneys general often argue that such relief is proper because the business practice or transaction in question – in addition to harming the state plaintiffs – has or will cause injury to the state’s general economy. While general harm to a state’s economy can serve as a basis for injunctive relief, state attorneys cannot base their request for damages on such harm.

Parens patriae enforcement actions

A well-settled principle in the United States’ legal system is that ‘the States have a quasi sovereign interest in protecting their citizens from ongoing economic harm’. Consequently, the federal antitrust laws expressly authorise state attorneys general to file parens patriae actions in federal court that seek to redress the harm suffered by their citizens due to federal antitrust violations. In providing state attorneys general with parens patriae authority, the federal antitrust laws permit state antitrust enforcers to seek monetary (treble damages) and injunctive relief, as well as their costs and reasonable attorney’s fees. State attorneys general have been empowered to seek such broad and substantial relief on behalf of their citizens to allow them ‘to deter further economic harm and to obtain relief for the injury inflicted on their economies and their citizens’.

In exercising their parens patriae authority, state attorneys general have often sought to protect their citizens and state economies from the harm caused by anticompetitive business practices. For example, in the e-Books Litigation, 33 state attorneys general alleged that Apple, Inc and various book publishers unlawfully conspired to fix the prices of electronic books, which resulted in their citizens paying higher prices and harm to their states’ general economies. Ultimately, these state attorneys general, working alongside private class counsel, secured settlements from the defendants that provided nearly US$600 million in direct refunds to their citizens. In a pending lawsuit brought against various manufacturers of generic pharmaceuticals, 44 state attorneys general have alleged that the defendants unlawfully conspired to fix the prices for numerous generic drugs, which forced their states and citizens to pay billions of dollars in overcharges, as well as significantly harmed their states’ general economies.

State attorneys general have also invoked their parens patriae authority to protect their citizens and state economies from the harm caused by anticompetitive transactions. For instance, in their pending challenge to T-Mobile’s proposed acquisition of Sprint, nearly 20 state attorneys general have alleged that the transaction will result in their residents paying higher prices for lower quality mobile phone services as well as harm to their states’ general economies. Likewise, the state attorneys general that joined the DOJ’s successful challenges to the proposed Anthem/Cigna and Aetna/Humana mergers alleged that these mergers would have harmed their citizens and the general economies of their states by reducing the number of large health insurance providers from five to three.

There are, however, important limitations on the parens patriae authority conferred to state attorneys general under the federal antitrust laws. For instance, the monetary relief sought by state attorneys general must: (1) arise out of a Sherman Act violation; (2) have been incurred by natural persons residing in their states (i.e., the losses suffered by business organisations cannot be included in the alleged damages); (3) exclude harm suffered by indirect purchasers of the goods and/or services in question; (4) avoid the risk of multiple recoveries by excluding amounts previously awarded for the same injuries; and (5) arise out of actual financial losses rather than general harm to their state’s economy. Moreover, state attorneys general must provide their residents with adequate notice of the lawsuit and a meaningful opportunity to opt out of the litigation.

In seeking to prove the monetary harm suffered by their citizens, state attorneys general can employ many of the same methods utilised by private plaintiffs. In price-fixing cases, for example, state attorneys general can prove the claimed aggregate damages by utilising ‘statistical or sampling methods’, ‘comput[ing[ [the] illegal overcharges’, or relying on any other methodology deemed ‘reasonable’ by the court. In addition, a number of state antitrust laws authorise their state attorney general to hire private lawyers to handle parens patriae actions, which the state attorneys general challenging the T-Mobile/Sprint merger have done.

Civil enforcement of state antitrust laws

Most states have enacted state antitrust laws that are comparable to Sections 1 and 2 of the Sherman Act. In addition, some states have passed antitrust laws that are similar to Sections 3 and 7 of the Clayton Act and the Robinson-Patman Act. These state antitrust laws typically contain provisions expressly requiring that ‘they be construed in conformity with comparable [f]ederal antitrust statutes’.

State antitrust statutes typically provide state attorneys general with broad authority to investigate possible violations, including the power to ‘issue civil investigative demands compelling oral testimony, the production of documents, and responses to written interrogatories to individuals and corporations’. Like the federal antitrust laws, most state antitrust laws authorise state attorneys general to file civil lawsuits on behalf of their states and state governmental entities whenever a violation has caused them to suffer harm in their capacity as direct purchasers of goods or services, as well as parens patriae actions on behalf of their citizens.

## Cap

#### Anti-trust against big tech is a ruse to restore capitalist competition and impose American ideology on the Global South — only a socialist alternative can effectively challenge digital colonialism and runaway climate change.

Kwet 20, Visiting Fellow of the Information Society Project at Yale Law School (Michael, October 26th, “A Digital Tech New Deal to break up Big Tech,” *Al Jazeera*, <https://www.aljazeera.com/opinions/2020/10/26/a-digital-tech-new-deal-to-break-up-big-tech>, Accessed 06-07-2021)

In July, the CEOs of Google, Apple, Facebook and Amazon appeared before Congress in an “historic” antitrust hearing. The event was met with great fanfare from the press. In early October, the United States House Judiciary Committee published a 450-page report criticising the anti-competitive business practices of the four giants and recommending new measures to “restore competition” to the market. Mainstream “tech critics” across the political spectrum of the so-called “techlash” are celebrating this antitrust agenda led by the US Congress and the intellectuals informing the hearings. They see nothing wrong with the American legal system reshaping corporations that dominate markets outside US borders. After all, they accept the notion that the US “owns” the world and see capitalism as the only system imaginable. For them, the reformist goal to “restore” a “capitalism for the people” is seen as the proper way to fix Big Tech. The Americans are joined by European power elites, who are seeking to curb the dominance of Big Tech as part of an effort to increase market share for European companies. Yet the solution to American Big Tech corporations dominating markets across the world cannot come from the American or European pro-capital legal systems. Rather, it has to be a collective effort by the international community, focused on bottom-first redistribution for the Global South, as part of a global transformation towards a sustainable green economy. The new progressives and neo-Brandeisian antitrust To understand Big Tech antitrust in the US, we need to understand its origins. The movement was spearheaded by a group of US legal scholars, sometimes called the neo-Brandeisians, named after Supreme Court Justice Louis Brandeis (1856-1941). As a young lawyer and legal scholar, Brandeis focused on social justice issues and financial power. As corporations restricted competition through “trusts”, he became concerned with how monopoly power could undermine democracy and harm society. His work inspired “antitrust” legislation banning unfair business practices in the US. Decades later, in the 1970s, a conservative group of legal scholars sought to restrict the scope of antitrust in the US. These neoliberals of the Chicago School, led by legal scholar Robert Bork, argued that antitrust should be narrowly concerned with economic efficiency, largely measured by lower prices for consumers. Inspired by the likes of Bork, US courts began ruling that “consumer welfare”, rather than broad concerns about democracy and power, should be the focus of antitrust. Over the past few years, neo-Brandeisian scholars dug into legal history and argued, correctly, that the neoliberal antitrust framework does not work for Big Tech. Its business model cannot always be measured by the price that consumers pay for a firm’s product (eg Facebook, Twitter, and YouTube are “free”), and broader concerns around democracy and equality should inform antitrust. In order to fix Big Tech, they insist, we need to think broadly about antitrust and antimonopoly, much like Louis Brandeis did a century ago. While this all sounds great, a closer look at what neo-Brandesians offer reveals two significant problems with it: one, they want the US to legislate for a problem that concerns the whole world; two, they still insist on a capitalist solution which is incompatible with notions of global social justice and environmental protection. Big Tech is global Neo-Brandeisian scholars intend to restructure Big Tech within a framework of US law, spearheaded by US thinkers. However, the firms they want to regulate have a global reach that harms people outside of the US as well. In fact, the central business model of Big Tech is digital colonialism. Google, Amazon, Facebook, Apple, Microsoft (GAFAM) are worth more than $5 trillion in total and much of it is profit coming from abroad For example, less than half of Facebook’s revenues come from the US and Canada, while nine of its top 10 user bases are from Global South countries, totalling 957 million users. The US, by comparison, has 190 million users. Most revenue for Apple and Google comes from outside the US as well, and almost half of Microsoft’s revenue comes from abroad. A large majority of Amazon’s total revenue comes from its US operations, but it is expanding globally, and its Amazon Web Services dominate the global cloud market. If we zoom in on individual countries, the scale of the problem becomes even clearer. A small country may provide a tiny fraction of GAFAM’s revenue, but the giants still capture a large share of various markets in that country. For example, in South Africa, Google controls 70 percent of local online advertising, and social media – led by Facebook – another 12 percent. South Africa’s largest media groups take just 8 percent of the pie Some 84 percent of smartphones in South Africa use Google Android operating systems, while 15 percent – Apple; 72 percent of desktop computers have Microsoft Windows, while 17 percent – Apple. Other products and services, such as e-hailing, streaming entertainment, search, cloud and office suites are also dominated by American firms. This dynamic repeats throughout the world. US tech reformers have little to say about the global nature of US tech transnationals, or about why laws regulated by the US government should reshape the core structure of global behemoths. Most of them also no longer discuss how the partnership between the National Security Agency and Big Tech promotes American military imperial interests outside of the US. The best neo-Brandeisian scholars can argue is that their proposals would weaken the stranglehold of the Silicon Valley beyond US borders. But this is not enough to resolve the problem and does nothing to address the looming environmental catastrophe we are facing. ‘Kinder capitalism’ does not work US tech reformers assume that market competition – supplemented by new privacy laws, public utility regulation, and some publicly subsidised, non-profit alternatives – is the solution to the power of monopoly. However, they do not address the problem of how private property in a capitalist marketplace creates inequality in the first place. Would “competitive markets” really benefit the Global South? Competition means beating other people out, and poorer people and nations are naturally disadvantaged in such a competition. After “restoring competition” to the tech economy, those who will dominate as “new market entrants” on the “open” internet will still be companies from richer countries: the US, European powers, China, etc, not low-income countries like Zimbabwe, Bolivia or Cambodia. And within low-income countries, the well-resourced classes will capture any new market opportunities that an antitrust push in the US may open. Indeed, reformers assume we can restore “competitive capitalism” while we are staring at the abyss of permanent environmental destruction. Proponents of capitalism maintain that we can grow our way to poverty alleviation and innovate to stop climate change and environmental degradation. But estimates show that under the growth model of the past few decades, the global economy would require a 175-fold increase in global consumption and production just to bring billions of poor people up to a meagre $5 per day. And in the process, we would most definitely destroy the environment. Degrowth researchers have demonstrated that capitalism is fatally flawed. A capitalist economy focuses on profit and growth, which increases greenhouse gas emissions overheating the planet and leads to over-extraction of material resources, which results in ecological collapses. The richest nations are dependent on material extraction from the poorest. High-income countries have the worst material footprint, with a consumption level of about 26 tonnes per person per year, when the sustainable level is about eight tonnes per person globally. Low-income countries consume about two tonnes per person per year. The Big Tech industry contributes to environmental destruction in several ways. E-waste now accounts for five percent of all global waste, and it is growing, in large part because gadgets are built with short lifespans. Instead of designing products that can last a long time, Big Tech has lobbied to kill “right to repair” laws, which would allow consumers to get their devices repaired or buy spare parts from third parties. What is more, Big Tech directly contributes to inequality by extracting wealth from the poor and concentrating in the hands of a few US-based executives, shareholders and highly paid professionals. At the same time, it exploits workers and often denies them safe and dignified working conditions. Digital capitalists also encourage consumerism through ads and monetise surveillance, which is destroying privacy, with grave consequences for civil rights and liberties. Private ownership of the means of computation – software code, infrastructure and the internet – is required to extract money for content, force ads on audiences and spy on users. If the people own and control the digital environment, they would opt to share knowledge freely, reject ads and protect their privacy. Solutions: Tech for Extinction Rebellion It goes without saying that any solution for the digital economy must be part and parcel of a sustainable green economy. This, in turn, requires rapid wealth and income redistribution and degrowth. It is a monumental task. Fortunately, there are some reasonable ways forward. First, we can phase out copyright paywalls and patents. Such a move would enjoy the support of activists in the Global South and Global North, and would make the world’s scientific and cultural knowledge available to all people, irrespective of their ability to pay. Of course, equitable information sharing and generation also requires resources to bridge the digital divide and make use of scientific knowledge. Second, software can be placed under strong free and open-source licences, online services can be decentralised, interoperable and owned by communities, while internet infrastructure can be fully socialised as communal property. The global Free Software Movement and activist scholars have already built a preliminary foundation and framework for moving in this direction. Third, an eco-socialist Digital Tech New Deal has to be implemented to reorient the tech economy away from profit and towards satisfying the needs of the people. This requires socialising financial, intellectual and physical property. As first steps, we could impose heavy taxes on the rich to fund a global digital commons, produce plans to phase out private ownership of information and the means of computation, support workers and mandate economic redistribution to the global poor, and build a privacy-by-design tech ecosystem. All of this must be done within the confines of a sustainable economy. These solutions need to be part of the global movement for wealth redistribution, reparations, and democratisation. In South Africa, we are building a People’s Tech for People’s Power movement to drive this agenda forward, through popular education and the formation of solidarity networks to launch actions against Big Tech and digital capitalism. There already is a good historical precedent for global action against Big Tech. During South Africa’s apartheid era, people around the world initiated boycotts, divestment and sanctions (BDS) against corporations like IBM and Hewlett-Packard, which aided and abetted the apartheid state and businesses. US corporations, in response, pushed a reformist agenda called the Sullivan Principles said to improve racial equality for workers. But anti-apartheid activists rejected the move as corporate propaganda designed to manufacture consent while US corporations continued to profit from apartheid misery. Today, the US resembles the South African apartheid state, but on a global scale. Its high-tech military projects power across the world, its diplomats impose strong intellectual property protections at the World Trade Organization, its imperialist anti-immigrant policies control the movement of people and capital, and its tech corporations dominate nearly every industry vertical outside of mainland China, all while creating a global police state. We do not need 21st century Sullivan Principles to save digital capitalism. We need digital socialism, reparations and democratisation of tech for a global green economy. This is a matter of survival for the whole human race.

#### **Capitalism guarantees extinction and social crisis – the judge has an intellectual obligation to evaluate the social relations that underpin the plan prior to evaluating the outcome of the policy.**

Molisa ‘14 (Pala Basil Mera, “Accounting For Apocalypse Re-Thinking Social Accounting Theory And Practice For Our Time Of Social Crises And Ecological Collapse,” <http://researcharchive.vuw.ac.nz/xmlui/bitstream/handle/10063/3686/thesis.pdf?sequence=2>)

Ecologically too, the situation is dire. Of the many measures of ecological well-being – topsoil loss, groundwater depletion, chemical contamination, increased toxicity levels in human beings, the number and size of “dead zones” in the Earth’s oceans, and the accelerating rate of species extinction and loss of biodiversity – the increasing evidence suggests that the developmental trajectory of the dominant economic culture necessarily causes the mass extermination of non-human communities, the systemic destruction and disruption of natural habitats, and could ultimately cause catastrophic destruction of the biosphere. The latest Global Environmental Outlook Report published by the United Nations Environment Program (UNEP), the GEO-5 report, makes for sobering reading. As in earlier reports, the global trends portrayed are of continuing human population growth, expanding economic growth,6 and as a consequence severe forms of ecological degradation (UNEP, 2012; see also, UNEP, 1997, 1999, 2002, 2007). The ecological reality described is of ecological drawdown (deforestation, over-fishing, water extraction, etc.) (UNEP, 2012, pp. 72, 68, 84, 102-106, ); increasing toxicity of the environment through chemical and waste pollution, with severe harm caused to human and non-human communities alike (pp. 173- 179); systematic habitat destruction (pp. 8, 68-84) and climate change (33-60), which have decimated the number of species on Earth, threatening many with outright extinction (pp. 139-158). The most serious ecological threat on a global scale is climate disruption, caused by the emission of greenhouse gases from burning fossil fuels, other industrial activities, and land destruction (UNEP, 2012, p. 32). The GEO-5 report states that “[d]espite attempts to develop low-carbon economies in a number of countries, atmospheric concentrations of greenhouse gases continue to increase to levels likely to push global temperatures beyond the internationally agreed limit of 2° C above the pre-industrial average temperature” (UNEP, 2012, p. 32). Concentrations of atmospheric methane have more than doubled from preindustrial levels, reaching approximately 1826 ppb in 2012; the scientific consensus is that this increase is very likely due predominantly to agriculture and fossil fuel use (IPCC, 2007). Scientists warn that the Earth’s ecosystems are nearing catastrophic “tipping points” that will be marked by mass extinctions and unpredictable changes on a scale unseen since the glaciers retreated twelve thousand years ago (Pappas, 2012). Twenty-two eminent scientists warned recently in the journal, Nature, that humans are likely to have triggered a planetary-scale critical transition “with the potential to transform Earth rapidly and irreversibly into a state unknown in human experience”, which means that “the biological resources we take for granted at present may be subject to rapid and unpredictable transformations within a few human generations” (Barnofsky et al., 2012). This means that human beings are in serious trouble, not only in the future, but right now. The pre-industrial level of carbon dioxide concentration was about 280 parts per million (ppm). The Intergovernmental Panel on Climate Change (IPCC) estimates concentrations could reach between 541 and 970 ppm by the year 2100. However, many climate scientists consider that levels should be kept below 350 ppm in order to avoid “irreversible catastrophic effects” (Hansen et al., 2008). “Catastrophic warming of the earth” would mean a planet that is too hot for life – that is, any life, and all life (Mrasek, 2008). We need to analyze the above information and ask the simple questions: what does it signify and where will it lead? In terms of the social crises of inequalities, the pattern of human development suggests clearly that although capitalism is capable of raising the economic productivity of many countries as well as international trade, it also produces social injustices on a global scale. The trajectory of capitalist economic development that people appear locked into is of perpetual growth that also produces significant human and social suffering. In terms of the ecological situation, the mounting evidence from reports, such as those published by UNEP, suggest that a full-scale ecocide will eventuate and that a global holocaust is in progress which is socially pathological and biocidal in its scope (UNEP, 2012; see also, UNEP, 1997, 1999, 2002, 2007). Assuming the trends do not change, the endpoint of this trajectory of perpetual economic growth, ecological degradation, systemic pollution, mass species extinction and runaway climate change, which human beings appear locked into, will be climate apocalypse and complete biotic collapse. Given the serious and life-threatening implications of these social and ecological crises outlined above, it would be reasonable to expect they should be central to academic concerns, particularly given the responsibilities of academics as intellectuals. As the people whom society subsidizes to carry out intellectual work,7 the primary task of academics is to carry out research that might enable people to deepen their understanding of how the world operates, ideally towards the goal of shaping a world that is more consistent with moral and political principles, and the collective self-interest (Jensen, 2013, p. 43). Given that most people’s stated philosophical and theological systems are rooted in concepts of justice, equality and the inherent dignity of all people (Jensen, 2007, p. 30), intellectuals have a particular responsibility to call attention to those social patterns of inequality which appear to be violations of such principles, and to call attention to the destructive ecological patterns that threaten individual and collective well-being. As a “critic and conscience of society,” 8 one task of intellectuals is to identify issues that people should all pay attention to, even when – indeed, especially when – people would rather ignore the issues (Jensen, 2013, p. 5). In view of this, intellectuals today should be focusing attention on the hard-to-face realities of an unjust and unsustainable world. Moreover, intellectuals in a democratic society, as its “critic and conscience”, should serve as sources of independent and critical information, analyses and varied opinions, in an endeavour to provide a meaningful role in the formation of public policy (Jensen, 2013c). In order to fulfil this obligation as “critic and conscience,” intellectuals need to be willing to critique not only particular people, organizations, and policies, but also the systems from which they emerge. In other words, intellectuals have to be willing to engage in radical critique. Generally, the term “radical” tends to suggest images of extremes, danger, violence, and people eager to tear things down (Jensen, 2007, p. 29). Radical, however, has a more classical meaning. It comes from the Latin –radix, meaning “root.” Radical critique in this light means critique or analysis that gets to the root of the problem. Given that the patterns of social inequality and ecocidal destruction outlined above are not the product of a vacuum, but instead are the product of social systems, radical critique simply means forms of social analysis, which are not only concerned about these social and ecological injustices but also trace them to the social systems from which they emerged, which would subject these very systems to searching critiques. Such searching critique is challenging because, generally, the dominant groups which tend to subsidize intellectuals (universities, think tanks, government, corporations) are the key agents of the social systems that produce inequalities and destroy ecosystems (Jensen, 2013, p. 12). The more intellectuals choose not only to identify patterns but also highlight the pathological systems from which they emerge, the greater the tension with whoever “pay[s] the bills” (ibid.).

#### Thus the alternative: Vote negative to reject the 1AC to signal a re-commitment to pedagogy centered through class analysis

#### Class pedagogy creates the historical analysis necessary to de-construct capitalist thought and material violences---only pedagogy can open avenues for political action and intersectional analysis

Mclaren ’04 (Education and Urban Schooling Division prof, UCLA—and Valerie Scatamburlo-D'Annibale; University of Windsor, Educational Philosophy and Theory, Vol. 36, No. 2, 2004, [www.freireproject.org/articles/node%2065/RCGS/class\_dismissed-val-peter.10.pdf](http://www.freireproject.org/articles/node%2065/RCGS/class_dismissed-val-peter.10.pdf))

These are the concrete realities of our time—realities that require a vigorous class analysis, an unrelenting critique of capitalism and an oppositional politics capable of confronting what Ahmad (1998, p. 2) refers to as ‘capitalist universality.’ They are realities that require something more than that which is offered by the prophets of ‘difference’ and post-Marxists who would have us relegate socialism to the scrapheap of history and mummify Marxism along with Lenin's corpse. Never before has a Marxian analysis of capitalism and class rule been so desperately needed. That is not to say that everything Marx said or anticipated has come true, for that is clearly not the case. Many critiques of Marx focus on his strategy for moving toward socialism, and with ample justification; nonetheless Marx did provide us with fundamental insights into class society that have held true to this day. Marx's enduring relevance lies in his indictment of capitalism which continues to wreak havoc in the lives of most. While capitalism's cheerleaders have attempted to hide its sordid underbelly, Marx's description of capitalism as the sorcerer's dark power is even more apt in light of contemporary historical and economic conditions. Rather than jettisoning Marx, decentering the role of capitalism, and discrediting class analysis, radical educators must continue to engage Marx's oeuvre and extrapolate from it that which is useful pedagogically, theoretically, and, most importantly, politically in light of the challenges that confront us. The urgency which animates Amin’s call for a collective socialist vision necessitates, as we have argued, moving beyond the particularism and liberal pluralism that informs the ‘politics of difference.’ It also requires challenging the questionable assumptions that have come to constitute the core of contemporary ‘radical’ theory, pedagogy and politics. In terms of effecting change, what is needed is a cogent understanding of the systemic nature of exploitation and oppression based on the precepts of a radical political economy approach (outlined above) and one that incorporates Marx’s notion of ‘unity in difference’ in which people share widely common material interests. Such an understanding extends far beyond the realm of theory, for the manner in which we choose to interpret and explore the social world, the concepts and frameworks we use to express our sociopolitical understandings, are more than just abstract categories. They imply intentions, organizational practices, and political agendas. Identifying class analysis as the basis for our understandings and class struggle as the basis for political transformation implies something quite different than constructing a sense of political agency around issues of race, ethnicity, gender, etc. Contrary to ‘Shakespeare’s assertion that a rose by any other name would smell as sweet,’ it should be clear that this is not the case in political matters. Rather, in politics ‘the essence of the ﬂower lies in the name by which it is called’ (Bannerji, 2000, p. 41). The task for progressives today is to seize the moment and plant the seeds for a political agenda that is grounded in historical possibilities and informed by a vision committed to overcoming exploitative conditions. These seeds, we would argue, must be derived from the tree of radical political economy. For the vast majority of people today—people of all ‘racial classiﬁcations or identities, all genders and sexual orientations’—the common frame of reference arcing across ‘difference’, the ‘concerns and aspirations that are most widely shared are those that are rooted in the common experience of everyday life shaped and constrained by political economy’ (Reed, 2000, p. xxvii). While post-Marxist advocates of the politics of ‘difference’ suggest that such a stance is outdated, we would argue that the categories which they have employed to analyze ‘the social’ are now losing their usefulness, particularly in light of actual contemporary ‘social movements.’ All over the globe, there are large anti-capitalist movements afoot. In February 2002, chants of ‘Another World Is Possible’ became the theme of protests in Porto Allegre. It seems that those people struggling in the streets haven’t read about T.I.N.A., the end of grand narratives of emancipation, or the decentering of capitalism. It seems as though the struggle for basic survival and some semblance of human dignity in the mean streets of the dystopian metropoles doesn’t permit much time or opportunity to read the heady proclamations emanating from seminar rooms. As E. P. Thompson (1978, p. 11) once remarked, sometimes ‘experience walks in without knocking at the door, and announces deaths, crises of subsistence, trench warfare, unemployment, inﬂation, genocide.’ This, of course, does not mean that socialism will inevitably come about, yet a sense of its nascent promise animates current social movements. Indeed, noted historian Howard Zinn (2000, p. 20) recently pointed out that after years of single-issue organizing (i.e. the politics of difference), the WTO and other anti-corporate capitalist protests signaled a turning point in the ‘history of movements of recent decades,’ for it was the issue of ‘class’ that more than anything ‘bound everyone together.’ History, to paraphrase Thompson (1978, p. 25) doesn’t seem to be following Theory’s script. Our vision is informed by Marx's historical materialism and his revolutionary socialist humanism, which must not be conflated with liberal humanism. For left politics and pedagogy, a socialist humanist vision remains crucial, whose fundamental features include the creative potential of people to challenge collectively the circumstances that they inherit. This variant of humanism seeks to give expression to the pain, sorrow and degradation of the oppressed, those who labor under the ominous and ghastly cloak of ‘globalized’ capital. It calls for the transformation of those conditions that have prevented the bulk of humankind from fulfilling its potential. It vests its hope for change in the development of critical consciousness and social agents who make history, although not always in conditions of their choosing. The political goal of socialist humanism is, however, ‘not a resting in difference’ but rather ‘the emancipation of difference at the level of human mutuality and reciprocity.’ This would be a step forward for the ‘discovery or creation of our real differences which can only in the end be explored in reciprocal ways’ (Eagleton, 1996, p. 120). Above all else, the enduring relevance of a radical socialist pedagogy and politics is the centrality it accords to the interrogation of capitalism.

## FTC

#### Antitrust law enforcement has two areas of focus now: health care and big tech. Health care is under the radar.

Levine 8-25-2021, master’s degree from the Columbia University Graduate School of Journalism and a bachelor of arts in English from the University of Pennsylvania. She is also an alumna of the Fellowships at Auschwitz for the Study of Professional Ethics, a program in Germany and Poland that explores the ethics of reporting on politics, war and genocide (Alexandra, “How Biden's tech trustbuster could change health care,” *Politico*, <https://www.politico.com/newsletters/future-pulse/2021/08/25/how-bidens-tech-trustbuster-could-change-health-care-797333>)

Lina Khan’s Federal Trade Commission has its eyes on health care. The agency known for efforts to rein in Big Tech companies like Facebook and Amazon is also enmeshed in high-stakes health care and health tech battles that extend well beyond Silicon Valley. Case in point: The FTC trial that kicked off yesterday examining monopoly concerns in the market for cancer screening technology. (More on that below.) That closely watched antitrust case — involving the giant Illumina and startup Grail — predates Khan’s confirmation as FTC chair. But it underscores how health issues are looming over the agenda, particularly heading into the pandemic's second year. The way health care companies and consumer health apps handle sensitive data “is an area that I'm sure [Khan’s] very, very interested in,” said Jessica Rich, former director of the FTC’s consumer protection bureau, adding that the Biden administration's FTC will also be closely scrutinizing hospital mergers. “I expect her and the commission to take a very bold approach to what constitutes harm for both,” Rich said. “I expect her to pay close attention to algorithms and potential discrimination in health care, both denials and pricing issues which the FTC's laws can address.” The FTC’s jurisdiction touches nearly the entire health economy. While its competition bureau looks at health care mergers like the Illumina-Grail deal, its consumer protection side is focused on health privacy and data security issues, as well as fighting bogus medical claims on everything from weight loss to Covid cures. When Congress passed the Covid-19 Consumer Protection Act last year, the agency was granted new authority to police Covid scams. Although Khan hasn't spoken publicly about her health care agenda, she's likely to take issue with health apps and companies whose business models maximize, incentivize and monetize data collection. Of particular concern is how firms disclose what they’re doing with consumers’ data — and whether it may still be deceptive or unfair.

#### New enforcement priorities trigger a tradeoff from health care

Abbott 21, formerly served as general counsel of the Federal Trade Commission (Alden, “Lack of Resources and Lack of Authority Over Nonprofit Organizations Are the Biggest Hindrances to Antitrust Enforcement in Healthcare,” <https://www.mercatus.org/publications/antitrust-and-competition/lack-resources-and-lack-authority-over-nonprofit>)

Appropriate federal antitrust and consumer protection enforcement is good for the American economy. It promotes enhanced competition and consumer welfare. Regrettably, however, the effectiveness of federal enforcement in achieving these benefits is threatened by insufficient resources. As FTC Acting Chair Rebecca Kelly Slaughter explained in her April 20 testimony before the US Senate Committee on Commerce, Science, and Transportation, FTC employment has remained flat despite a growing workload, with merger filings doubling in recent years. Lauren Feiner reports on that testimony: “The absence of resources means that our enforcement decisions are harder,” [Slaughter] said. “If we think that we have a real case, a real law violation in front of us, but a settlement on the table that is maybe OK but doesn’t get the job done, we have to make difficult decisions about whether it’s worth spending a lot of taxpayer dollars to go sue the companies who are going to come in with many, many law firms worth of attorneys and expensive economic experts, versus taking that settlement.” I can attest to the accuracy of Slaughter’s observation, based on my experience as FTC general counsel in the Trump Administration. During my tenure, the FTC did indeed have to contend with resource limitations that adversely affected merger enforcement decision-making. The problem of resource constraints is particularly acute in the case of healthcare merger reviews, given the increasing consolidation of healthcare institutions. As one noted healthcare scholar stated in 2019, “The Affordable Care Act did not start the consolidation rapidly occurring with hospitals/health systems and medical groups, but it most definitely accelerated the movement to combine. In the last five years, the number and size of consolidations have been at an all-time high.”

#### Health consolidation collapses public health---specifically rural care

Numerof 20, PhD @ Bryn Mawr, internationally recognized consultant and author with over 25 years of experience in the field of strategy development and execution, business model design, and market analysis (Rita, “Covid-Induced Hospital Consolidation: What Are The Impacts On Consumers, And Potentially The President,” *Forbes*, <https://www.forbes.com/sites/ritanumerof/2020/11/11/covid-induced-hospital-consolidation-what-are-the-impacts-on-consumers-and-potentially-the-president/?sh=692d6fc94da0>)

Covid-19 has initiated yet another wave: A wave of hospital mergers and acquisitions that will have devastating consequences for public health if industry doesn’t soon execute an about-face. Whether because they’re on the brink of bankruptcy and have subscribed to the half-truth that size is protective, or because they think they can score some good deals and believe scale and success are synonymous, the financial fallout of Covid-19 has caused many hospital executives to make consolidation a core part of their future plans. With the intent of increasing care quality and decreasing consumer costs despite these challenging times, the merger between Shannon Medical Center and Community Hospital and partnership between Intermountain and Sanford Health are just two examples. There are multiple reasons why consumers absolutely cannot afford for industry to bulk up in an effort to weather this storm. The first is that the positive efforts executives claim consolidation will help them accomplish often prove to be futile. Research shows that wherever market concentration is high, there are also higher prices for both consumers and the employers who provide their healthcare coverage. In the absence of competition, costs increase and quality deteriorates. That’s the opposite of progress. Second, generally speaking, the union of two institutions with operational shortcomings only creates one larger institution with even more operational shortcomings! That’s not progress either. Third, Covid-induced consolidation will only make future progress many times more difficult. The larger an organization is, the more it will struggle to rapidly adapt to healthcare disruptions like we’re seeing today. Retail giants like Walmart, Walgreens, Amazon and CVS are pivoting to cater to healthcare consumer demands for affordability and accessibility. Right now, they’re still a blip on the radar relative to mainstream healthcare delivery, but they are looking to eventually corner the market and drive the industry forward. And as they continue down this path, consolidated healthcare systems will be left behind, potentially at the expense of the consumers in that area. The potential impact of continued consolidation on rural patients is especially concerning. Rural communities may have a limited number of the big-box retailers mentioned above. And the unfortunate fact of the matter is that when a larger hospital or health system purchases a smaller, rural hospital, it’s usually only a matter of time before the purchasing system realizes that unless they drastically pare down and reconfigure operations, the acquired hospital will never be profitable. Many eventually decide to close up shop, in some instances reducing or even eliminating rural patients’ options for care delivery. In the absolute worst-case scenario, this is exactly the reality all consumers could face if consolidation continues at its current pace. In theory and if left unchecked, all of the hospitals in the United States could be owned by only a handful of mammoth systems that then lack incentive to continually deliver quality services at lower total cost of care.

#### Strong public health infrastructure prevents bioterror attacks

Kosal 14, Adjunct Scholar to the Modern War Institute at the US Military Academy/West Point, Ph.D. in Chemistry from the University of Illinois at Urbana Champaign, Associate Professor at The Sam Nunn School of International Affairs at Georgia Tech (Margaret E. Kosal, “A New Role For Public Health in Bioterrorism Defense,” Frontiers in Public Health, Volume 2, Article 278)

In thinking about public health infrastructure as an active or passive part of new deterrence strategies, it is useful to think about the role of missile defense. As the presence of a ballistic missile defense system is supposed to be an existential deterrent itself, so could be a strong public health system. Missile defense is both a passive deterrent and, if used, an active deterrent, as it stops something from occurring. A strong public health infrastructure is likely to be the key in reducing the vulnerability to bioterrorism attack, as well as having a potential role in deterring a foreign terrorist group from even considering such an attack. If a biological weapon launched by a terrorist group will have little or no effect on the target country because of a known robust public health sector, then a foreign terrorist may be discouraged from launching a biological weapons attack in the first place. If foreign terrorists are also aware of the weak public health infrastructure with their own borders, and the increased risks to them and their publics in the event of an accident in developing biological weapons and/or spread of an infectious disease that they might launch, this may also deter them from pursuing this work. In addition, even the accidental release of a dangerous pathogen or the spread of an infectious disease via attack will most likely cause disproportional negative effects to nations with limited public health infrastructures and affect tacit and explicit supporters in those states. The role of a robust public healthcare system for its deterrence capacity can be explored through empirically driven case study methods against predominant theories of deterrence in political science (14, 15) and in comparison to other works considering the possibility of deterring bioterrorism (16–20). For example, the re-emergence of polio offers a potentially useful example to think about the effects of a potential bioterrorist attack on the developed and the developing world. Polio is both a contagious infectious disease and transmissible from human-to-human (like smallpox and plague). The poliovirus is highly transmissible with a basic reproductive rate or secondary transmission rate (R0) exceeding most suspected biological agents, e.g., standard estimates of R0 for polio range from 5 to 7 (21, 22), whereas R0 for suspected bioterrorist agents like smallpox (1.8–3.2) (23–25); pneumonic plague (0.8–3.0) (26, 27); and even Ebola (1.34–2.0) (28, 29) are lower. It is not a likely biological terrorism agent, however, due to the low-mortality associated with infection. It is, however, a useful model for thinking about the spread of infectious disease and the importance of a robust public health infrastructure as a deterrence strategy. At the beginning of 2003, the complete eradication of polio appeared to be within the grasp of the World Health Association and its many partners. In 1998, the World Health Organization estimated there were over 365,000 new cases of polio; by early 2003, the rate of infection had declined to <1,000 new cases worldwide due to a vigilant vaccination effort (30). That trend was interrupted, however, when Nigerian citizens refused to be vaccinated after hearing unfounded allegations of contaminated vaccines that would lead to sterility or cause HIV/AIDs. Before 2003, polio had largely been confined to only a handful of countries; Nigeria, India, Pakistan, and Afghanistan accounted for 93% of the world’s cases (31). What started with the refusal of local clerics to allow vaccination led to the reestablishment or importation of the poliovirus to 14 countries that were previously disease-free. Transport of the contagious virus was not limited to neighboring African states. The poliovirus moved through Sudan to Ethiopia crossing the Red Sea to Lebanon and Yemen. The latter was been particularly severely affected, witnessing more than 500 new cases in the first half of 2005. The poliovirus spread as far as Indonesia, where it afflicted more than 150 people in a single year in 2 provinces, predominantly children (32). Prior to this outbreak, Indonesia had been polio free for nine years. Genetic fingerprinting confirmed that the strain imported to Indonesia came from northern Nigeria through Sudan, most closely resembling an isolate recovered in Saudi Arabia in December 2004. A pilgrim returning from Mecca or a returning foreign worker is suspected to have brought the virus to the island of Java, across an ocean and thousands of miles from its source. The polio virus continues to persist in a limited number of states in the developing world, specifically in Nigeria, Afghanistan, and Pakistan, where a ban on vaccination by Islamist leaders in Waziristan remains in place. Since 2013, polio (linked genetically to the strain in Pakistan) has spread from Syria to Iraq (33). Countries that have witnessed the re-emergence of poliovirus outbreaks have some crucial links: social and political challenges that have impeded the development and implementation of appropriate public health infrastructures and measures. Not unexpectedly, there is an inverse relationship between government health expenditure in health and number of polio cases. Looking at the spread of polio can provide us with a lens to think about the impacts of bioterrorism in states with developed public health infrastructures and those who do not. A bioterrorist attack, especially one with a contagious agent like smallpox or pneumonic plague, will likely impact the developing parts of the world substantially more than the US. One only has to look as far as polio’s re-emergence (or more recently the outbreak of Ebola virus disease in West Africa) to see the very real repercussions of a contagious virus and how the most dire causes and effects of infection and spread stem from poor public health infrastructures (34). Creating a new deterrence strategy for bioterrorism is needed. Credibly, communicating the differential capacities to respond and the comparative likely outcomes will require diplomacy, coordination with civil affairs, specialized knowledge of individual states, and regions of the developing world. These are fundamentally interdisciplinary efforts that should leverage small teams from diplomatic, development, public health, and defense communities. One single parochial voice will be inadequate. Further improving the US domestic public health infrastructure would be beneficial and cost effective regardless of whether an outbreak is intentional or natural. The devastating Ebola outbreaks serve as a call for urgent investment in public health infrastructures worldwide, to provide both responsive and proactive actions to deter bioterrorism and to deal with natural disease outbreaks. Public health remains a powerful and often underutilized asset for bioweapons defense through vulnerability reduction; leveraging public health may also enable new approaches to deterring bioterrorism threats. International security scholars would benefit from better understanding of and leveraging the knowledge of the public health community.

#### Extinction without early response

Farmer 17 (“Bioterrorism could kill more people than nuclear war, Bill Gates to warn world leaders” http://www.telegraph.co.uk/news/2017/02/17/biological-terrorism-could-kill-people-nuclear-attacks-bill/)

Bioterrorists could one day kill hundreds of millions of people in an attack more deadly than nuclear war, Bill Gates will warn world leaders. Rapid advances in genetic engineering have opened the door for small terrorism groups to tailor and easily turn biological viruses into weapons. A resulting disease pandemic is currently one of the most deadly threats faced by the world, he believes, yet governments are complacent about the scale of the risk. Speaking ahead of an address to the Munich Security Conference, the richest man in the world said that while governments are concerned with the proliferation of nuclear and chemical weapons, they are overlooking the threat of biological warfare. Mr Gates, whose charitable foundationis funding research into quickly spotting outbreaks and speeding up vaccine production, said the defence and security establishment “have not been following biology and I’m here to bring them a little bit of bad news”. Mr Gates will today (Saturday) tell an audience of international leaders and senior officers that the world’s next deadly pandemic “could originate on the computer screen of a terrorist”. He told the Telegraph: “Natural epidemics can be extremely large. Intentionally caused epidemics, bioterrorism, would be the largest of all. “With nuclear weapons, you’d think you would probably stop after killing 100million. Smallpox won’t stop. Because the population is naïve, and there are no real preparations. That, if it got out and spread, would be a larger number.” He said developments in genetic engineering were proceeding at a “mind-blowing rate”. Biological warfare ambitions once limited to a handful of nation states are now open to small groups with limited resources and skills. He said: “They make it much easier for a non-state person. It doesn’t take much biology expertise nowadays to assemble a smallpox virus. Biology is making it way easier to create these things.” The increasingly common use of gene editing technology would make it difficult to spot any potential terrorist conspiracy. Technologies which have made it easy to read DNA sequences and tinker with them to rewrite or tweak genes have many legitimate uses. He said: “It’s not like when someone says, ‘Hey I’d like some Plutonium’ and you start saying ‘Hmmm.. I wonder why he wants Plutonium?’” Mr Gates said the potential death toll from a disease outbreak could be higher than other threats such as climate change or nuclear war. He said: “This is like earthquakes, you should think in order of magnitudes. If you can kill 10 people that’s a one, 100 people that’s a two... Bioterrorism is the thing that can give you not just sixes, but sevens, eights and nines. “With nuclear war, once you have got a six, or a seven, or eight, you’d think it would probably stop. [With bioterrorism] it’s just unbounded if you are not there to stop the spread of it.” By tailoring the genes of a virus, it would be possible to manipulate its ability to spread and its ability to harm people. Mr Gates said one of the most potentially deadly outbreaks could involve the humble flu virus. It would be relatively easy to engineer a new flu strain combining qualities from varieties that spread like wildfire with varieties that were deadly. The last time that happened naturally was the 1918 Spanish Influenza pandemic, which went on to kill more than 50 million people – or nearly three times the death toll from the First World War. By comparison, the recent Ebola outbreak in West Africa which killed just over 11,000 was “a Richter Scale three, it’s a nothing,” he said. But despite the potential, the founder of Microsoft said that world leaders and their militaries could not see beyond the more recognised risks. He said: “Should the world be serious about this? It is somewhat serious about normal classic warfare and nuclear warfare, but today it is not very serious about bio-defence or natural epidemics.” He went on: “They do tend to say ‘How easy is it to get fissile material and how accurate are the plans out on the internet for dirty bombs, plutonium bombs and hydrogen bombs?’ “They have some people that do that. What I am suggesting is that the number of people that look at bio-defence is worth increasing.” Whether naturally occurring, or deliberately started, it is almost certain that a highly lethal global pandemic will occur within our lifetimes, he believes. But the good news for those contemplating the potential damage is that the same biotechnology can prevent epidemics spreading out of control. Mr Gates will say in his speech that most of the things needed to protect against a naturally occurring pandemic are the same things needed to prepare for an intentional biological attack. Nations must amass an arsenal of new weapons to fight such a disease outbreak, including vaccines, drugs and diagnostic techniques. Being able to develop a vaccine as soon as possible against a new outbreak is particularly important and could save huge numbers of lives, scientists working at his foundation believe.

## T subsets

#### “Private sector” means all non-governmental persons or entities

Senate Report 95 (Senate Report. 104-1, “UNFUNDED MANDATE REFORM ACT OF 1995,” <https://www.congress.gov/congressional-report/104th-congress/senate-report/1> , date accessed 9/10/21)

"Private sector" is defined to cover all persons or entities in the United States except for State, local or tribal governments. It includes individuals, partnerships, associations, corporations, and educational and nonprofit institutions.

#### Violation – the aff’s standard only applies to a particular industry

#### Vote neg – limits and ground---the number of potential subsets is infinite---any industry, product, single companies, individuals---undermines clash. Only big affs have link uniqueness

## 

# On

#### After Jan 6, right wing misinformation was kicked off platforms, that continued on other sites like Parler. Proves organizing on social media is inevitable

#### No impact to Social media

Cass Sunstein, 2018 (Robert Walmsley University Professor at Harvard University, “IS SOCIAL MEDIA GOOD OR BAD FOR DEMOCRACY?” <https://sur.conectas.org/en/is-social-media-good-or-bad-for-democracy/>, Retrieved 8/4/2021)

On balance, the question of whether social media platforms are good for democracy is easy. On balance, they are not merely good; they are terrific. For people to govern themselves, they need to have information. They also need to be able to convey it to others. Social media platforms make that tons easier. There is a subtler point as well. When democracies are functioning properly, people’s sufferings and challenges are not entirely private matters. Social media platforms help us alert one another to a million and one different problems. In the process, the existence of social media can prod citizens to seek solutions.

#### Social media markets are competitive

Casey Newton, 2/23/2021 (Verge contributing editor. He is the founder and editor of Platformer, a daily newsletter about Big Tech and democracy, “Social networks are finally competitive again,” [https://www.theverge.com/2021 /2/23/22296520/social-networks-competition-facebook-tiktok-twitter-clubhouse-snap](https://www.theverge.com/2021%20/2/23/22296520/social-networks-competition-facebook-tiktok-twitter-clubhouse-snap), Retrieved 8/4/2021)

It still doesn’t seem quite real to me, and yet everywhere I look the signs are there: social networks are competitive again. Today, let’s tour this weird new landscape and talk about what it means — and doesn’t mean — for the tech giants and the governments trying to rein them in. I. HOW COMPETITION ENDED If I had to put a date on when competition ended among social networks in the United States, I’d choose August 2nd, 2016. That’s when Instagram introduced its copy of Snapchat stories, blunting the momentum of an upstart challenger and sending a chill through the startup ecosystem. I don’t think copying features is necessarily anti-competitive — in fact, as I’ll argue below, it’s a sign that the ecosystem is working as intended — but the effect of Facebook’s copying here was dramatic. Snap fell into a long funk, and would-be entrepreneurs and investors got the message: Facebook will seek to acquire or copy any upstart social product, dramatically limiting its odds of breakout success. Investment shrunk accordingly. The previous year, after the success of Twitter’s Periscope app, Facebook had cloned its live video features, and enthusiasm for both products seemed to broadly peter out. When live group video experienced momentary success under Houseparty, Facebook cloned that too, and Houseparty later sold to Epic Games for an undisclosed sum. It was in this stagnant environment that many people, myself included, came to believe that it had been a mistake to let Facebook acquire Instagram and WhatsApp. The former became the breakout social network of a younger generation, and the latter cemented Facebook’s global dominance in communication. A world in which both had remained independent would have been much more competitive, even if neither had grown to the scale that they did under Facebook. This is the basic thesis of the Federal Trade Commission’s antitrust lawsuit against the company, which it filed in December. The government argues that Facebook “is illegally maintaining its personal social networking monopoly through a years-long course of anticompetitive conduct,” and if successful, it could force Facebook to sell off Instagram and WhatsApp. It’s a tricky case; as Ben Thompson explains here, the government’s attempt to define the market in which Facebook competes so as to prove it has a monopoly is rather tortured. You can think the FTC’s case against Facebook is weak and also believe that the period from 2016 to 2021 saw remarkably little innovation among American social networks, at least in terms of the basic user behaviors that they inspire. The market for social products became incredibly concentrated; Facebook and Google built a duopoly in digital advertising; and their vast size and unpredictable effects helped to trigger a global backlash against American tech giants. If, like me, you think this is all a problem, you could argue for one of two basic approaches to fixing it. The first is government intervention, in the form of an antitrust lawsuit or new regulations from Congress, that would regulate the ability of tech giants to acquire smaller companies or put up new barriers to entering the market or competing on fair terms. The second is to do basically nothing, trusting that the entropic nature of the universe and the inexorable march of time would eventually restore competition. If the second choice sounds ridiculous, it is not without precedent. In the late 1990s, Microsoft’s dominance over the PC market led the government to pursue an antitrust case over the company’s move to bundle its Internet Explorer browser with the Windows operating system. The fear was that such bundling would grant Microsoft total power over the consumer PC market forever. In reality, of course, mobile phones were out there just waiting to be perfected, and then Apple came along and did just that, and now no one really worries too much about Microsoft’s power over the PC market. I do wish the US government had intervened around 2016 to explore new regulations for tech giants’ mergers and acquisitions. In its absence, we could only bet on entropy — and whichever contrarian capitalists still felt like they could challenge Facebook in the market despite its many advantages. The thing is, though, that a bunch of contrarian capitalists did. And lately they have been having a lot of success. II. HOW COMPETITION BEGAN Facebook’s biggest competitor in 2021 is, of course, TikTok, which has been siphoning usage from Facebook’s family of apps since it launched in the United States in 2018 (after merging with Musical.ly). TikTok began by making it dramatically easier for people to make compelling videos, parceled out fame and fortune with a central feed that is incredibly compelling even if you don’t know or follow a single person, and eventually created an entire universe of audio memes, visual effects, and community in-jokes. Eugene Wei, our best writer and thinker on TikTok, published the third part of his essay series about the app Sunday night. Among the many salient points Wei makes is that the sheer number of forces that have gone into TikTok’s success have made it difficult for Facebook (or YouTube) to clone. He writes: People will litigate Instagram copying Snapchat’s Stories feature until the end of time, but the fact is that format wasn’t ever going to be some defensible moat. Ephemerality is a clever new dimension on which to vary social media, but it’s easily copiable. This is why TikTok’s network effects of creativity matter. To clone TikTok, you can’t just copy any single feature. It’s all of that, and not just the features, but how users deploy them and how the resultant videos interact with each other on the FYP feed. It’s replicating all the feedback loops that are built into TikTok’s ecosystem, all of which are interconnected. Maybe you can copy some of the atoms, but the magic lives at the molecular level. The success of TikTok is a source of real anxiety inside Facebook, where employees ask CEO Mark Zuckerberg a question about it during nearly every all-hands Q&A session. The company has deployed a competitor, called Reels, inside of Instagram, and perhaps it will find a way to succeed. But the larger point is that, whatever the odds, Facebook now has to compete against TiKTok or risk losing the next generation. You’ve probably already considered that, though. (Unless you’re the FTC, which conspicuously avoided any mention of TikTok in its entire complaint about Facebook’s alleged monopoly position.) But when it comes to mobile short-form video, Facebook and YouTube face a real challenge. So where else does Facebook suddenly find itself forced to compete? For starters, there’s audio. While still available only by invitation, Clubhouse recently hit an estimated 10 million downloads. Celebrities including Tiffany Haddish, Elon Musk, Joe Rogan, and Zuckerberg himself have made appearances on the app, granting it a cultural cachet rare in a social startup that is still less than a year old. Clubhouse raised money last month at a valuation of $1 billion — more than Facebook ultimately paid for Instagram. Because it’s an audio app, Clubhouse doesn’t pose quite the existential threat that TikTok does: you can still theoretically browse Instagram or message businesses on WhatsApp while listening to a Clubhouse chat. But Facebook has been sufficiently intrigued by Clubhouse’s rapid rise that it is now working out how to clone the app, according to a report this month in The New York Times. Elsewhere, Twitter already has a Clubhouse clone, called Spaces, in beta. It’s not clear that Clubhouse poses a threat to either company, exactly. But both are still taking it as a challenge. What else? After years of making its most prominent investments in technically challenging media involving video, augmented reality, and virtual reality, Facebook is reportedly taking a second look at text. The rise of Substack over the past year has begun to mint a growing number of millionaire, text-based creators, while also pulling millions of people away from their social feeds into the relative calm of the email inbox. (I have a personal stake in this one, of course; I started a newsletter in large part because my social feeds had come to feel like a lousy place to get my news.) What’s interesting here is that Facebook now seems open to this possibility, too. Last month, the Times also reported that Facebook is developing newsletter tools for reporters and writers. (I’ve confirmed this with my own sources.) As with Clubhouse, newsletters hardly pose an existential threat to Facebook. But they do bleed time and attention away from the company’s apps — and in a world where news may not be even available on Facebook in some countries, it may be wise for it to have a hedge. (And Twitter clearly thinks so, too: it acquired Substack competitor Revue last month.) That leaves Facebook competing with legitimately fast-growing, well-funded competitors across several categories. And while it’s in a much earlier stage, I think the company may soon have an interesting competitor in photography as well. Dispo is an invite-only social photo app with a twist: you can’t see any photos you take with the app until 24 hours after you take them. (The app sends you a push notification to open them every day at 9AM local time: among other things, a nice hack to boost daily usage.) Founded by David Dobrik, one of the world’s most popular YouTubers, Dispo has been around as a basic utility for a year. But last month a beta version launched on iOS with social features including shared photo “rolls,” and it quickly hit the 10,000-person cap on Apple’s TestFlight software. It raised $4 million in seed funding in October, and assuming the buzz continues into a public launch, I wouldn’t be surprised if Dispo took off in a major way. Audio, video, photos, and text: to some extent, Facebook has never had to stop competing across these dimensions in the company’s history. But I can’t remember the last time it was fighting so many interesting battles at the same time. III. WHAT IT MEANS Here’s what I’m not saying when I argue that social networks are competitive again: That Facebook has not acted in various anti-competitive ways throughout its history. That Facebook should no longer be subject to antitrust scrutiny, or that the US government (and, separately, a coalition of US attorneys general) should abandon their lawsuits. That, given all this new competition, Facebook should be allowed to purchase rival social networks in the future. That Facebook won’t remain the world’s largest social network for a long time to come, or that its business will suffer in the short term. In fact, I think there’s a good case to be made that antitrust pressure from the US government in particular is what has allowed competition to return to social networks in the first place. Had Clubhouse or Substack emerged in 2013 or 2014, it’s not hard to imagine Facebook racing to acquire them and knock them off the chessboard. But in 2021, when Facebook faces a formal antitrust review in the United Kingdom over its acquisition of a failing GIF search engine, the company can only sit back and try to copy what others are doing better. If that’s the case, it suggests that the half-assed response to Facebook’s growing dominance over the past half-decade nonetheless got us, however belatedly, to a better place. Antitrust pressure made it extremely difficult for the company to make acquisitions, opening a window just big enough for new entrants to climb through. It remains to be seen how big any new challengers to Facebook, YouTube, or Twitter can grow. But for the first time in a long time, I’m optimistic about their chances.

### (S)

#### Turn: Interoperability decreases innovation—causes firms to piggy-back on other companies:

Bruce Hoffman, 10/26/2020 (Partner, Cleary Gottlieb Steen & Hamilton LLP, D. Bruce Hoffman’s practice focuses on antitrust enforcement, including merger clearance and conduct investigations, and antitrust and other complex commercial litigation.“Deep Dive Episode 141 – Interoperability and Data Sharing: An Antitrust Remedy in Search of a Market Problem?” <https://regproject.org/podcast/deep-dive-ep-141/>, Retrieved 8/4/2021)

So data portability — well, first of all, interoperability raises a lot of questions about, what are you doing to competitive incentives to interactions between competitors? Are you actually just [inaudible 04:27] a situation where firms are going to piggyback on more innovative or more successful firms, which in turn might suppress the incentives of the innovators to really work as a hard as they can to provide the best products or the most innovative products possible.

#### Turn: Data sharing decreases innovation by encouraging free riding:

Jay Ezrielev, 10/26/2020 (Founder and Managing Principal Elevecon LLC, former economic advisor to Federal Trade Commission Chairman Joseph Simons. He specializes in the economics of industrial organization, econometrics, and antitrust policy. With more than 19 years in economic consulting and government, Dr. Ezrielev has advised clients on numerous high-profile antitrust and other matters..“Deep Dive Episode 141 – Interoperability and Data Sharing: An Antitrust Remedy in Search of a Market Problem?” <https://regproject.org/podcast/deep-dive-ep-141/>, Retrieved 8/4/2021)

So, the last thing, on data sharing proposals that would force companies to share the internal data with competitors, I think that is a very bad idea. Data sharing proposals would diminish incentives to innovate. The incumbent would have weaker incentives to acquire new data and to have to share its data with a competitor. The entrants would also have weaker incentives to acquire new data if you could just free ride and get the data from an incumbent.

#### Access to data doesn’t increase competition—emerging competitors prove:

Jay Ezrielev, 10/26/2020 (Founder and Managing Principal Elevecon LLC, former economic advisor to Federal Trade Commission Chairman Joseph Simons. He specializes in the economics of industrial organization, econometrics, and antitrust policy. With more than 19 years in economic consulting and government, Dr. Ezrielev has advised clients on numerous high-profile antitrust and other matters..“Deep Dive Episode 141 – Interoperability and Data Sharing: An Antitrust Remedy in Search of a Market Problem?” <https://regproject.org/podcast/deep-dive-ep-141/>, Retrieved 8/4/2021)

Data can be an important aspect, but advocates of regulations overstate the role of data as an obstacle to entry. Entrants can acquire data by acquiring customers, investing in research, or licensing data from data vendors. This is the same way that incumbents acquire their data when they enter their markets. There are countless examples of successful entry by online service providers without entrants obtaining access to incumbent’s data—take, for example, Instagram, Tinder, and most recently, TikTok. I should also say that, from my perspective, it’s not clear that the antitrust issues discussed in the House Report are actually antitrust harm. But this is a conversation for another day. But if the targets of the House Report actually engaged in anticompetitive behavior by acquiring market power to anticompetitive acquisitions or anticompetitive conduct, there are remedies that are much more direct and effective than data portability, interoperability with data sharing.